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GREAT SCANDAL

In the War Department Just Coming to Light.

MILLIONS PAID OUT

To Contractors on the Filmiest Vouchers—An Investigation by Expert Accountants Bring to Light the Most Astounding Collusion or Negligence of High Officials—Big Scoop for The Sunday Globe.

The doomed wretch, paled with fright and cowering in the shadow of the electric chair at Auburn, is a typical embodiment of the terror that has seized certain guilty souls, tenanted luxurious quarters within the granite walls of the building assigned to the business of the Army and Navy, since the accession to the Presidency of Theodore Roosevelt. They need no handwriting on the wall to warn them that the day of reckoning is nigh. The mere fact that the Man at the White House is known to possess the courage to strike at official corruption and to stamp it out is enough, and the ague-shriven crowd are well aware that a short shrift awaits them all when the official investigation is ordered in connection with the movement of troops and supplies from San Francisco to the Philippines.

To account for the panic prevailing in the War Department, it must be explained that when the time came for adjusting the United States Government's accounts with the creditors at that period, it was found impossible to obtain an approximately correct statement of the indebtedness by reason of the slipshod methods in vogue in handling the innumerable accounts. The Department's books were so hopelessly tangled that outside expert accountants had to be called in to give some semblance of form to the chaotic mass of requisitions, vouchers, and other voluminous records pertaining to the transfer of an army corps to the antipodes, claims amounting to upwards of \$15,000,000 were piled up in cartloads, while hundreds of duns were clamoring at the portals of the paymaster for their dues. The clerical force became demoralized over the situation, and their chiefs proved incapable of meeting the emergency.

The experts being summoned, a sort of stupor fell upon the rank and file of employees, many of whom had no intelligent idea of their duties. The experts struggled heroically for weeks and months, and finally got upon a possible working basis. But their condition was not attained without discovering that astounding and provoked them. Evidence of gigantic fraud, or else of unprecedented carelessness, confronted the examiners at every step.

Bills varying from ten to a hundred thousand dollars had been passed for payment upon flimsy vouchers, giving no itemized statements. For example: U. S. Army, Dr. to Brown, Smith & Co., for loading three steamers, \$75,000. An intial O. K. would be the only evidence to show that anybody on earth had knowledge of the transaction.

But Uncle Sam was expected to stand and deliver, no matter how vague or how absurd was the charge aimed at his pocketbook by the land pirates around the Golden Gate. Of course, some accounts were straight, but many were palpably crooked. What happened after the experts were relieved or had resigned, which some of them did, is not widely known. But there is no report current that anybody who thought he had a claim got left, so the inference is that the enormous total was paid over without a kick from the Department and that the customary rake-off came off. But there are others in important stations, beyond the limits of the Government Department—conservators of various railway and steamship interests—who may be subjected to an X-ray examination that may result in the discovery in their inside pockets of some millions, more or less, of Uncle Sam's money never honestly earned. These autocrats of finance, who work upon "the community of (their) interests" plan are prominent potentates of our transportation system. Rocketpicking will not be the charge brought against these merry monarchs of the monetary kingdom. But they may be called upon to make restitution for enormous sums overcharged and collected through the connivance or corruption of Government employees, whose official duty was to prevent fraud in the settlement of all such accounts.

The inquiry necessitated by this Chinese mode of doing business in Washington will not be conducted in the open. There will be no bands and no freerackers in the vicinity, but when all is ready, something ponderous will drop strenuously with a sickening thud, and quite a full regiment of people who consider themselves prominent socially and officially will discover that the string to their "pull" has been cut and that they themselves are left dangling in space, with nothing in sight to stand on.

A well known and prominent expert bookkeeper and accountant, who had been engaged in an effort to unravel the tangle of claims, vouchers and lump claims, expressed himself so unguardedly as to the business methods of the War Department and its system of auditing and filing claims that he was hauled up short and asked for an

explanation of his language. He repeated his expressed opinions as an expert to the high official before whom he was summoned, with the result that his services were dispensed with the next day. This gentleman's high standing and approval ability as an expert, together with his statements of and concerning the millions of dollars which have been paid out to contractors on the kind of vouchers mentioned have reached the President's ears, and orders have been quietly promulgated to go to the very bottom of affairs and let no guilty, incompetent, or negligent official escape.

There will be some "rough riding" and sledding in the War Department within the next 30 days.

THE BUCKET SHOP

Of L. A. Hartman and His Alleged Successor.

STATEMENT BY PATRONS

Legal Proceedings and Indictments Threatened by the Man Holding the Bag—The New Bucket Shop on Seventh Street and the Suspected Backer—The District Attorney Appealed to.

There is to be a new bucket shop opened in the near future, it is alleged, at 607 Seventh street N. W. At least the place is undergoing the transformation which indicates the establishment of such an enterprise (?). Numerous creditors of the late bucket shop, 631 F street N. W., are interested in the new undertaking to the extent of persistent and anxious inquiries as to whether Mr. L. A. Hartman is the backer.

These creditors of the defunct concern formerly backed by Mr. L. A. Hartman tell the following tale of woe, which explains in part their natural curiosity as to the proprietor and backer of the proposed "shop" at 607 Seventh street N. W.:

"We dealt with Mr. L. A. Hartman," say these gentlemen, "and put up our margins like gentlemen. Everything went along satisfactorily until recently, when the market came a little our way. One morning we were surprised, on entering Mr. Hartman's bucket shop, to find a new man running, or apparently running things. He was introduced to us as Mr. George Thomas. We did not know Thomas, and consequently hesitated about putting up our good money with him. This was explained to Mr. Hartman, who was present, when that gentleman said:

"You need not be afraid, gentlemen. You will get your money. Any money due you in this place I guarantee the payment of, so go ahead as usual."

"And ahead we went," resumed The Globe's informants, "until one day, or rather, evening, Mr. Thomas was missing. We went to draw our money or sell out our deals and found Mr. Hartman but no Thomas. Mr. Hartman spun us a fairy story about Thomas, that he would be present in the morning and that everything would be all right. Now, having confidence in Mr. Hartman's statement, we took no steps to head off the flight of Thomas, and he thus had the whole evening and night to make good his retreat from Washington. He has never shown up since, nor will not, of course. Under an understanding that Mr. Hartman would make good, we presented our claims, which he repudiated, stating that he had no interest in the bucket shop, and that Thomas was the backer and proprietor. Reminding him of his agreement to make good for Thomas, he gave us evasive and an unsatisfactory song and dance. I hold \$500 worth of claims against the bucket shop, and Mr. Hartman's lawyers have refused me \$100 for them, but I have refused and insist in holding Hartman responsible."

"But, did he sell out to Thomas?" "Bah! sell nothing. Thomas was a straw man, and as evidence of this I wanted to make a certain deal and asked Thomas if he would accept the margin?"

"Certainly," said Thomas. "Just then Mr. Hartman piped in and said: 'No, we can not accept that deal, Mr. Thomas,' and Thomas had no more to say. This shows who was the real backer."

"I have just come from the District Attorney's office," chimed in one of the group, "and I am going to have Hartman indicted for gambling, if I can; if not for getting my money through Thomas."

"But you can not prove that Thomas gave Mr. Hartman the money due you, or that he was backing the game." "Can't I! Well, we will see. If I can not get an indictment in the face of the fact that his attorneys offered to compromise the claims, I'd like to know the reason. At all events, I am going to see who backs the new bucket shop before I put up."

The gentlemen left The Globe office very indignant and very determined, but The Globe refrains from publishing some allegations made about revenue stamps, as the District Attorney's office is the proper place to file such statements.

Gambling on margins or bucket shops is, of course, illegal, but they are very truly only a drop in the "bucket" of the gambling on Wall Street, and hence we suppose the name "bucket" shop.

"SIR JOSEPH" RODNEY

And His Canadian "Little Buttercup" in Court.

THE LATEST PINAFORE.

Nothing Like This Comedy Has Ever Taken Place in Any Court or on Any Stage—Lieutenant Commander Rodney Adds Another Contribution to the Literature of the Celebrated Case of Mrs. Margaret Edith Rodney.

The United States Navy is at present attracting its share of public attention. In fact, it may be said with truth that it is monopolizing the attention of, at least, the Washington public. At the Navy Yard we have a semi-farce in inquiry by a solemn court as to who won the naval battle of Santiago, when even a London or Paris gamin knows that it was a man named Winfield Scott Schley. The tragic feature was added to the inquiry on Tuesday last when the chief counsel for Admiral Schley, the famous lawyer "Jere" Wilson, died suddenly at his hotel. The inquiry also developed a rare character in the person of a naval officer who testified that his official signature was a fraud, or words to that effect. He signed a chart of the position of the blockading squadron, as navigator, which he now says was a fraudulent document or chart. But this opera bouffe at the Navy Yard is as nothing compared to the high antics being cut up by Lieutenant Commander Rodney, ex-Paymaster of the Navy.

This gallant tar, in his meanderings around the British possessions north of us, and while on dry land, to which, as a sailor he was not accustomed, ran into a sprig of the British nobility in the person of a charming female descendant of the renowned British Admiral Rodney. Struck with the coincidence, our American Lieutenant commander spoke with the strange craft, examined her papers and declared her a prize. Taking her in tow with a piratical looking tender, in the person of a female companion, he brought both craft into port here in the nation's capital. And then his troubles commenced. The descendant of Admiral Rodney, for some cause, which she has not satisfactorily explained, contested the regularity of the Lieutenant commander's capture and fought the claim of that doughty old sea dog to declare her a prize. That she is not a prize, the Lieutenant is now only too manifestly ready to declare. In fact, he has been endeavoring to keep out of her wake and of the searchlights she has mounted, through the machinery of the prize courts for his exact location. In other words, Mrs. Rodney wants prize money herself for capturing the Lieutenant commander. It is the old story of the man and the bear. The man caught the bear, as the Lieutenant commander captured the aristocratic descendant of Admiral Rodney. The man was willing to let the bear go after he had caught it, but the bear objected and held on. So it is with Mrs. Rodney. The Lieutenant commander is willing to let his prize escape, but the prize is after alimony, and the court has repeatedly issued its rule to compel the gallant sailor to pony up.

It is but exact justice to state that so far it is an even fight between Mrs. Margaret Edith Rodney and her captor. She has won in the courts, but the Lieutenant commander has immortalized himself with his pen and shed a halo (which discount Mrs. Eddy's) of refutatory glory upon the legal literature of the courts of the District of Columbia.

Here is the latest from the brilliant pen of this Pinafore naval hero concerning his little Buttercup, in answer to the court's mandate for prize money:

"This defendant, in a court of equity, contends for principle and against a perversion of all equity. Try no more conclusions, but, seeing her coming, dodge up the nearest alley, and, till she passes, pray that she, the irresistible, soon collide with somebody or something, the immovable, and he be blessedly absent between them. Only through philosophy and humor can the defendant endure the sorrows and tantalizations by which this lovely Thais makes him, as it were, the Saint Anthony of the navy. And certainly never on his road to heaven has he hitherto met such all rare and singular devilment. John Bunyan would have put this woman in 'Pilgrim's Progress.' 'Her ancient heraldic motto, translated, reads: 'Honesty is the best policy,' whence that maxim arose, but she affects to find better—Beauty is the best policy.' For she is confident beauty is not only always right, but always sufficient."

"She alighted in our country out of her aerial car—Burke's Peerage. That is where she hails from—Burke's Peerage, article Owen; the only wife in the army and navy of such celebrated ancestry. She finds too prosaic the being provided directly for by a husband, and demands the amusement, flattery, honor, and dignity of being cared for through the mandate of a court; husband pay by a fixed hour or go forth into custody of the marshal; it is inexpressibly delightful unto her. And her mind can not fancy why every wife in the land is not at this moment doing the same thing. This vain young foreigner is never weary of toying and playing with the judicial machinery, and exultantly thinking it subverses her every caprice."

"She dares to style this honorable

court her 'supreme plum tree, responsive to her gallant shake.' She notes with complacency that God's appointed estate of husband has little consideration, opinion, or authority in the eyes of our courts. American law is rancid with the spirit of false gallantry, which would leave wives no duties or penalties, and husbands no rights or safeguards. Alimony—alimony without benefit of jury—alimony, seizing money without stipulating the sufferer to be rendered, or at least offered, some degree of equivalent—is the anarchy of matrimony. And that we have any security, any homes at all, is through the praiseworthy conservatism of respectable women themselves, who ignore the alimony temptation."

The Lieutenant here cut a caper, and after having sang:

"When I was young I served a term As apprentice clerk to an attorney's firm. I dusted the books and swept the floor, And polished up the handle of the big front door. I polished up that handle so industriously That now I am the freak of the whole navel."

He loaded his starboard guns, and bringing his broadside to bear on the piratical craft referred to as the prize's tender, let go with this effect. Hear him!

"The siren sang: 'Sing, hey, the merry maiden and the tar.' She acted propriety till the day (November 3d last) she found herself safely married. Then she tossed mask one way and harp the other, and began cutting up the shines of the pagan goddesses. A man marrying in Canada is not peaceably allowed to get away with only one of those girls. The first or sole bridesmaid is ex-officio privileged to force herself along as a brevet wife, and, curiously enough, with the bride's accord. Of course, Canada means well—wants its bridegrooms to get good measure; but defendant thought this reported 'custom of the country' a joke. He soon experienced, however, that the Canadian institution of brevet wife was earnest. They insisted on being inseparable, duplicates at all times and doing. They sat down on my lap together, one on each knee. Their ultimatum was both or none. Everything since has flowed from this dilemma. Keeping both, I would not have had this misery, but morality lost me both. They wantonly ran away January 5 last, tempted by their attorney's assurance of alimony, all the same, however badly they cut up; and that as corporations have no souls, so courts have no morals, which advice suited the fair clients exactly. But when her Church of England clergyman father heard alimony had broken up the marriage so fervently performed, he recalled to Canada his daughter, the brevet, and the wife remained here to work the court for alimony. And, with short intervals—futile reconciliation—has been working it ever since. And this court can never get rid of her till her husband first succeeds in doing so. He hopes he will not be thought sportive in calling for the prayers of everybody, as any man, contending with a woman, well needs to."

"This woman demands—she always demands—a 'dost want the earth sort of a woman needs a spanish matador for a husband, an expert dodger, demands she take advantage, avail herself of her own wrongdoing; thus outraging the vital legal maxim, she defiantly says her own wrongdoing never yet stopped her in anything, and never shall."

While the Lieutenant's syntax is a little mixed, the meaning is plain enough. He has enlisted for the war and will see the thing through with the lady whose name figures (like the Princess Amanda out at Lincoln Park) in Burke's Peerage; the Lieutenant will only surrender when boarded by the authorities of the District of Columbia and compelled to surrender horse, foot and dragons.

"Mikey" Lewis and The Globe.

"Mikey" Lewis, the superintendent of the Supply Division, Postoffice Department, is not connected with The Sunday Morning Globe. The reason for this announcement lies in the fact that one Klein, manager for Hecht's department store, Seventh street, says, "his house will never advertise with The Sunday Globe because it roasted his friend, Mikey Lewis."

Mr. Klein further says: "That The Globe called 'Mikey' a Polish Jew, and thereby reflected on the Jews."

We acknowledge, sure enough, that it was a reflection on the Jews to identify Mikey with that splendid race, but what are we going to do with him? He has to be given some nationality, inasmuch as he is not an American nor an Irishman, as his first name would indicate?

Mikey is not authorized to represent (or mis) represent The Sunday Morning Globe, and if he attempts to do so in the future we will be grateful for information to that effect. Manager Klein will please accept our thanks, even though he loses the trade of our self and the friends of The Globe.

Visitors to Washington are to some extent better posted about the capital's interesting points than are many of its permanent residents, for the reason that they avail themselves of the Traction Company's Observation Cars, which traverse every local line in the District and are accompanied by efficient guides who direct attention to the attractive features along the 25-mile excursion route. Washingtonians may learn much that would be advantageous by improving the daily opportunity to study their town.

IS IT "BUSTED?"

The American Savings Bank, Its Depositors and Standing.

CHAPTER OF REVELATIONS

In Which the President of the Bank Turns Out to be the Vice-President of the Philadelphia Union Surety and Guarantee Company, with Mr. Parker as Special Agent—The Hobson Contract and the Discounting of the Bills.

That the American Savings Bank, 1007 G street N. W., was forced to suspend payments the past week was no surprise to The Sunday Globe. The run on the bank was caused by people who have had business transactions with either the president of the bank, William O. Roome, as the vice-president of the Union Surety Company of Philadelphia, or Mr. George T. Parker, a special agent of the surety company, who has offices in and is in close touch with the American Savings Bank.

For some time The Globe has been receiving letters and complaints of and concerning the bank and the methods pursued by Messrs. Roome and Parker, as representatives of the Union Surety Company, and therefore we anticipated trouble to the concern because of the revelations made in these communications.

One case in point will illustrate the many grievances against Messrs. Roome and Parker. It will be recalled that the Government contractor, J. H. Hobson, who confessed to bribing Capt. King, the army officer, was compelled to turn over his interests to the surety company, which was on his bond. Through Messrs. Roome and Parker it was accomplished in this way. Hobson needed \$20,000 more to complete his contract. This the American bank advanced on a guarantee of \$15,000 profit on the work. The Messrs. Roome and Parker substituted their friends and relatives for the employees of Hobson, giving the substitutes large increase of salaries. For instance, Mr. Parker placed his nephew as timekeeper on the works at a salary of \$18 per week, which he soon advanced to \$25. The original timekeeper, under Hobson, was receiving only \$9 per week. Mr. Roome's son-in-law received a salary of \$200 per month, although he was entirely ignorant of the work in hand he was placed in full charge. Mr. Nick Haller, the architect, was hired at \$10 per diem and expenses; his brother was put on the job at \$4 per day, and Bud Thomas was discharged, who had a written agreement with Mr. Hobson. When Mr. Hobson took the bank in with him he guaranteed them \$15,000 profit for the \$20,000 advanced. A safe estimate of Hobson's profit on the contract placed the figure at \$30,000, but the bank and Messrs. Roome and Parker soon froze Hobson out, and by representations to the Government they secured entire and undivided control of the contract. Hobson's securities guaranteeing \$15,000 profit are still held to their guarantee by Messrs. Roome and Parker, despite of the fact that all the profits are eaten up by the increased salaries paid the relatives and friends of these gentlemen, who were substituted for Hobson's competent and lower paid employees.

There were, naturally, a great many bills against Hobson, which the \$20,000 supposedly advanced by the bank and to his credit was held to liquidate. When the surety company's representatives, Messrs. Roome and Parker, took firm hold, however, these bills could not or would not be cashed by Mr. Roome immediately. The creditor was put off with one excuse or another until he learned that by discounting the bill with Mr. Parker he could speedily obtain his money. The Globe has a number of complaints on this score, and has been furnished the names of merchants and other creditors of Hobson who had thus to discount their bills. We give only a few: Mr. J. B. Lambie, the hardware merchant, was one, however, who would not discount, and has sued the Hobson contract for \$3,500; J. T. Walker Sons, builders' supplies, Tenth street, however, discounted his bill, after trying more than twenty times to collect it. He accepted \$270 for \$300; Mr. Harris discounted the bill of G. W. Thomas, giving him \$70 for his bill of \$79; James McElen, the stone contractor of Alexandria, Va., had his bill of \$600 discounted, after vain efforts to collect it; Mr. Charles Powers, cashier of the bank, discounted some bills because, it is alleged, Mr. Parker, as agent of the surety company, was discounting too many, and the home office in Philadelphia might become curious or suspicious. Mr. Powers is a partner of the firm of G. E. McKnew & Co., stationers, Ninth street, near F.

The whole nub of this matter lies in the fact that money to pay these bills was on deposit in the American bank, of which Mr. Roome is president; Mr. Powers cashier, and Mr. Parker the special agent, with offices in the bank of the surety company of which Mr. Roome is vice-president. These things being all well understood, it is quite easy to see that this system of surety company and bank of deposit working hand in hand, with a special agent handy to discount honest bills, that enemies cropped up and multiplied every time a squeeze or a discount was effected. Of course, people will talk, and especially people who have had the juice or the profit on their bills squeezed

out of them. They become hostile, too, as they study over the matter. It did not help matters either when Mr. Noble Thomas, the builder, fought the Surety and Guarantee Co. in court, which sought to get hold of his business, and, thanks to an honest, upright judge, beat the concern hands down.

Letters have been coming to The Globe office for weeks, touching the methods of this Surety and Guarantee Company, of which the president of the American Savings Bank is president. From one dated February we extract this paragraph:

"I think a company like that ought to be looked into and exposed. Put this add. in your paper: 'Wanted—Address of all the people that have been done by the Union Surety and Guarantee Company,' and see the list you will receive."

The Globe preferred to wait and see if things would not mend, because it is a serious thing to assail an institution of the kind, and as banks are sensitive affairs, easy to wreck with a run, we did not desire the moral responsibility of creating such a state of affairs while there existed a chance that things would come out all right. Mr. Parker runs, besides, a weekly paper entitled, "The Architect," and as it is issued on Saturday while the Government publication is issued on Thursday, he has advantages which he has not been slow to avail himself of, especially in the matter of advertisements. Altogether, Mr. Parker is a very busy man as discount, editor and special agent of the surety company, of which the president, Mr. Roome, of the American Bank, is the vice-president.

We hope the depositors of the American Bank will lose nothing and that the suspension for 60 days is the only inconvenience or loss that they will suffer. Mr. Roome says that they will be paid. The deposits totalize \$260,000 in round figures, while the assets are \$300,000, leaving a margin of \$40,000; a tight squeeze, such as the Union Surety and Guarantee Company's agents practice would, it appears, equalize or balance assets and deposits to the fraction of a cent.

Since the foregoing was put in type, "Nick" Haller, the architect mentioned above, and the bank's attorney, Conrad H. Syme, filed a petition in the court and been appointed receivers for their friend, President Roome. This settles it. The small depositors will now know the meaning of "a squeeze." They have The Globe's sympathy.

CZOLGOSZ CONDEMNED.

Testimony Showing that O'Brien Knocked Down Assassin.

There was no Giteau circus business in the trial of Czolgosz. He has been tried and found guilty of murder in the first degree, and will sit in the electric chair within the next 30 days. If the judge grants only the minimum time allowed by the law of the State of New York to condemned murderers. From the testimony taken at the trial, we extract the following, which shows that O'Brien and not Parker was the first man to jump on Czolgosz:

"George A. Foster, of Washington, another secret service officer, then took the stand.

"Foster described his position in the line as opposite that of the prisoner, and said he was scrutinizing the people as they passed. He said the prisoner looked him straight in the face as he passed, and the next instant he saw the prisoner's hands go together as if clapping and two shots were fired. Witness immediately grappled with him. As the men lay on the floor he looked backward as if to see what effects his bullets had had, said the witness, 'and this made me so mad that I smashed him right on the jaw.'

"Judge Titus then cross-examined the witness, and asked: 'Did you see the colored man who has been spoken of?'

"Yes, I think he was some distance ahead of the defendant, not behind him. I did not see any colored man in the fracas that followed at all."

"Francis P. O'Brien, a private in the Seventy-third United States Coast Artillery, was next called. He had been detailed to guard the President at the Temple of Music and was standing at the right of the President when the shooting occurred. His story follows: "When I heard the report I was looking at the President and saw the man. I jumped at this defendant. I saw smoke coming from his hand. I knocked him over against some one. I don't know whom. I got the revolver and gave it up to my commanding officer, Captain Wissler."

"Mr. Penny then produced the murderer's weapon, and O'Brien identified it by initials which he made on it before he surrendered it."

"Were you on the side of the President from which the people were coming in?" asked Judge Titus, on cross-examination.

"Yes."

"How near were you to the President?"

"Three or four feet."

"When you saw the second shot fired you jumped at the prisoner?"

"I did."

"Were you the first to get at him?"

"I think I was."

"Did anyone help you get the gun?"

"I got it myself."

"Was he on the floor then?"

"No, he was not. A minute later I was battered by men who wanted me to turn the revolver over to them."

"Louis Neff, another private, and Corporal Bertschey gave testimony in corroboration."